REMARKS

Claims 1 has been amended, and claims 2-3 have been canceled. Upon entry of the amendments, claims 1, 4-5, 8-10, 15-23, and 39-40 will be pending. Support for the amendments can be found throughout the specification and claims as originally filed. No new matter has been added. Applicants submit that the pending claims are patentable for the reasons set forth below.

Section 102(a) Rejections

In the Office Action, claims 1-5, 8-10, 15-23, and 39-40 stand rejected under 35 U.S.C. § 102(a) as being anticipated by a U.S. patent application to Hoffman et al. (2002/0111891). Claim 1 has been amended to include the features of now canceled claims 2-3 and further clarify differences between the an-on value and the as-of value.

Hoffman relates to a method "for reporting the state of a portfolio of financial instruments based upon a user driven, matrix of criteria." Hoffman at ¶[0003]. The device of Hoffman values hedge transactions to be marked to market. For example, as stated in Hoffman:

> ...accounting standard boards now require that positions in such instruments be marked to market. This means that firms are required to price each instrument according to its present fair value, and that value reported on the books and records of the firm, for the protection of the firm's investors and potential partners...Such strategies are accommodated by the method of the present invention.

Hoffman at ¶[0038]. Hoffman further states:

> The present invention provides a means of measuring the effectiveness of hedging trades, an of separating from the complete hedging positions only the amounts that must be reported in cases of excess profit or loss, an of generating only those journal entries required to update the Income account such that it is in compliance with regulatory reporting, all within a single continuous process.

Hoffman at ¶[0040]. Hoffman adjusts the marked to market value of hedge transactions during the life of the hedge transactions based on the market value of the securities underlying the transaction.

In contrast, amended claim 1 discloses a method for operating on data representing an account, and the method comprises obtaining both an as-on value and an as-of value for the account for a given date. This allows the user to view an account balance on a given day with or without back-dated transactions accounted for in the account balance. The as-on value is determined without using the back-dated transactions. As recited in claim 1, the as-on value is determined for a given date "without taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates," and that "the as-on value comprises summing balance values for all dates up to and including the given date."

In contrast, the as-of value in claim 1 is determined using the back-dated transactions. As recited in claim 1, the as-of value is determined for a given date "taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates," and that "the as-of value comprises summing balance values, adjustment values corresponding to sum of activity for the activity date to be applied on subsequent processing dates, and compensating values for all dates up to and including the given date corresponding to negative sum of activity for prior processing dates applied on the activity date."

Hoffman does not disclose or suggest determining both the as-on value "without taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates," and the as-of value "taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates." The Office Action cites various paragraphs of Hoffman as allegedly disclosing these features, but the Office's analysis is factually erroneous.

The Office cited numerous passages of Hoffman (including (i) paragraph 72, lines 1-15 and (ii) paragraph 94) as showing determining the as-of value. In addition, the Office cited passages of Hoffman as showing setting an adjustment value (paragraph 76) and setting a compensating value (paragraph 77, lines 1-13). These cited passages, however, do not disclose obtaining an as-of position, as recited in claim 1. Instead, the cited paragraphs of Hoffman simply recite examples of calculating the present value of each instrument using a mark to market process. In particular, Hoffman, at paragraph 72, states:

> As has been alluded to above, the term "mark-to-market" with respect to a trade means calculating the present value of each instrument in the portfolio using the prevailing market prices or user-entered prices for the date on which the mark-to-market is being performed, taking into consideration all the financial elements associated with the instrument, and the projected value of the future cash flows involved (coupon payments or other known cash flow events for the instrument) discounted to the present. For example, a $100 million bond that will pay 6% annually for the next ten years will have the future associated cash flows calculated and, through an algorithm, the total amount of the principal and the future cash flows will discounted to reflect today's vale, in order to take inflation and other factors into consideration. The prices output by this process are called "marks." After the marks are calculated for each instrument, they are stored in the "marks" table, a database table created for that purpose. In the present invention, the mark-to-market process is run for a "thread," an identifier the user selects that tells the data processing system which column in the marks table to use for inserting or retrieving the marks. The concept of threads enables users to generate multiple sets of marks for the same date if desired, one set of which actually may be used to create the journal entries that will be posted to a firm's books and records, and another set that may be entirely theoretical, for analytic purposes (such as a set of marks calculated from temporarily manipulated market data, which then can be used to generate theoretical account balances to view the effects of change to market rates).

The paragraphs of Hoffman merely disclose calculating the present value of a financial instrument using mark-to-market principles, which does not correspond to "determining… an as-of value…that is an indicator of the balance for the account for the given date taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates," as recited in claim 1. The life-to-date value obtained by the device of Hoffman simply involves the marked to market value of the hedge transaction.

The as-of value of the present application is the balance as it was known at the end of a given date at the given date's prices for that account taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates, whereas the life-to-date value disclosed in Hoffman takes into account the present value of the instruments in the hedge account. In other words, the life-to-date value of an account in Hoffman **adjusts over time given the market value of the instruments within the hedge account**.

This is not the same as obtaining an as-of value as recited in amended claim 1 because the as-of value of the present application is the value of the account on a given date taking into account adjustment values on subsequent processing dates and compensating values from prior processing dates. The as-of value of the present application does not concern the mark-to-market value of the account.

Accordingly, Hoffman does not disclose every element of amended claim 1. Rather Hoffman discloses a method for adjusting the marked to market value of hedge transactions during the life of the hedge transactions based on the market value of the securities underlying the transaction. Hoffman provides access to current market rates and historical market rates regarding the securities underlying the transaction. *See* Hoffman at ¶46.

In light of the fundamental differences, Applicants submit that independent claim 1 and its dependent claims are not anticipated by Hoffman.

CONCLUSION

Applicants respectfully submit that all of the claims presented in the present application are in condition for allowance. Applicants' present Response should not in any way be taken as acquiescence to any of the specific assertions, statements, etc., presented in the Office Action not explicitly addressed herein. Applicants reserve the right to address specifically all such assertions and statements in subsequent responses. Applicants also reserve the right to seek claims of a broader or different scope in a continuation application.

Applicants do not concede the correctness of the Office Action's rejection with respect to any of the dependent claims discussed above. Accordingly, Applicants hereby reserve the right to make additional arguments as may be necessary to distinguish further the dependent claims from the cited references, taken alone or in combination, based on additional features contained in the dependent claims that were not discussed above. A detailed discussion of these differences is believed to be unnecessary at this time in view of the basic differences in the independent claims pointed out above.

Applicants have made a diligent effort to properly respond to the Office Action and believe that the claims are in condition for allowance. If the Examiner has any remaining concerns, the Examiner is invited to contact the undersigned at the telephone number set forth below so that such concerns may be expeditiously addressed.

Respectfully submitted,

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